



GaryChicago
International Airport

May 28, 2009

Mr. William Hanna
Executive Director
Regional Development Authority
9800 Connecticut Drive
Crown Point, Indiana 46307

Re: RDA Funding Request

Dear Mr. Hanna:

This letter serves as the Gary Chicago International Airport (GCIA) application to the Regional Development Authority (RDA) for \$449,732.00 in funding to complete a Business and Strategic Plan as recommended by the RDA.

Date of Filing: May 29, 2009

Applicant: Gary Chicago International Airport Authority

Contact Person: Chris Curry, Airport Director

Applicant's legal status: IC 8-22-3, IC 36-7.5-1-2.

The Gary Chicago International Airport Authority, a municipal corporation, owns and operates the Gary Chicago International Airport (GCIA). As the governing board, the Authority is responsible for monitoring and ensuring adherence to policy, legal and fiduciary compliance of the federal, state and local funds and resources involved with operations, capital improvements and development of the Airport. The seven-member board represents regional stakeholders with appointments made by the City of Gary, Lake County, Porter County, and the Indiana Office of the Governor.

Project Description:

The (GCIA) is requesting a grant of \$449,732 from the Regional Development Authority (RDA). The grant will be used to fund the Gary Chicago International Airport Business and Strategic plan including the hiring of a consultant selected through the Request for Qualifications (RFQ) process recently completed between the GCIA and RDA working

group. The Consultant is expected to provide professional services in support of the GCIA efforts to complete airport development projects and to attract business development in the areas of airline commercial services, cargo and corporate aviation. The Business and Strategic plan will demonstrate the following objectives and a reasonable path for development. The objective of the Plan is as follows:

- Affirm the vision that the Gary Chicago Airport should become the third major airport in the Greater Chicago Area; and
- Identify the key steps that need to be taken to actualize that vision and the timetable to be followed; or
- Demonstrate why that vision is not achievable and identify the preferred alternative and outline how it should be pursued.

Economic Impact Statement:

The Gary Chicago International Airport has been recognized as the “Economic Engine” that will drive economic growth in Northwest Indiana. While the airport has only attracted sporadic air service in recent years, the Aviation Association of Indiana has determined in 2005 that the economic impact of the airport is approximately \$154 million (Attachment 1). The GCIA and its tenants employ approximately 160 people on airport property as follows:

- The Gary Jet Center (GJC), the Airport’s Fixed Base Operator, provides baggage handling, customer service, aircraft de-icing, maintenance, and refueling services. The GJC employ approximately fifty (50) personnel. A thriving GCIA could double the amount of employees for this business.
- Boeing Executive Headquarters is also located on the GCIA. The company has seven (7) based aircraft to provide a worldwide presence affiliated with aircraft sales. Boeing employs approximately 60 employees.
- The GCIA employ approximately twenty (20) personnel. Airport jobs are classified as Executive Management, Administrative, Operations and Maintenance. A thriving airport with commercial, cargo and general aviation traffic could increase the number of employees to 200 personnel.

In addition, to the jobs mentioned above, the Airport’s concessionaires, restaurant, and rental car suppliers (Hertz and Enterprise) will benefit significantly. As our tenants and concessionaires benefit, so will the Airport. GCIA has fixed and percentage-based agreements that would allow us to garner more revenue and help us to become financially independent of the City of Gary and other local funding entities such as the RDA.

The Comprehensive Economic Strategic Plan (Attachment 2) suggests that an aggressive GCIA development program is expected to generate more than 86,000 jobs in Lake and Porter counties by the year 2040 and would generate more than \$44 billion in Gross Regional Product (GRP). These jobs would not only consist of on- airport aviation jobs.

Hotels, restaurants, travel agencies, ground transportation and numerous other business entities cropping up to support Airport's activities would generate most of the jobs.

Quality of Life Statement:

A viable Gary Chicago International Airport would improve the quality of life for residents of Northwest Indiana. The unemployment level in NWI has reached an all time high and airports means jobs. Businesses are struggling to survive and the airport could bring people into the area that would spend money to promote new business opportunities while also helping existing businesses sustain. A local airport would lead to reduced emissions because residents would spend less time on the road traveling to airports that are located much further away. This time could then be used for more relaxed family time as opposed to commuting.

Funding Request and Financial Analysis

Total project cost: \$449,732

Funds requested from RDA: \$449,732

Total funds from other sources: \$0

As stated above, the GCIA is requesting \$449,732 from the RDA to provide funding that the airport cannot generate itself. The Airport has a very limited budget and is hopeful that this contribution from the RDA, if granted, will not require reimbursement.

Project Timeline:

The project timeline will begin in June 2009 and should be completed by January 2009. The Airport is not aware of any other endeavor in Northwest Indiana to which this project is connected. The Airport has previously applied for funds used for the runway expansion project and, therefore, clearly supports and understands the RDA goals as they relate to minority participation. The Airport will continue to provide hiring opportunities for qualified Minority Business Enterprises (MBE) and Women-Owned Business Enterprises (WBE), goals that are also required by the Federal Aviation Administration and Department of Transportation. Attachment 3 is a copy of the Ethics Ordinance adopted by the Airport Authority.

It is the Airport's goal to utilize approximately \$449,732 to hire a consultant to formulate a Business and Strategic Plan. The Consultant is expected to provide professional services in support of the GCIA efforts to complete airport development projects and to attract business development in the areas of airline commercial services, cargo and corporate aviation. The Airport agrees to follow RDA procedures for expenditure disbursement and MBE/WBE goals.

Should you have any questions or require additional information as it relates to this grant-funding request, please contact me.

Respectfully,

Chris Curry

Chris Curry
Airport Director

AVIATION ASSOCIATION OF INDIANA



THE ECONOMIC IMPACT
OF AIRPORTS IN INDIANA

The 2005 economic impact is more than **\$ 4.9 billion.**

More than **18,900 people** are employed at Indiana airports.

Airport jobs generate more than **\$ 480 million** in direct wages.

Indiana has 102 public use airports and heliports that provide a vital link to the national air transportation system.

SUMMARY REPORT
January 2007

Preface

What if your airport didn't exist? What if the business and industry in your area didn't have access to your airport? What would happen if these businesses were forced to use an alternative facility outside your community? What if they decided it was more convenient for them to operate elsewhere? What if they took their jobs?

The Aviation Association of Indiana (AAI) has published an economic impact report since 1984. This report seeks to quantify the value of Indiana airports by modeling the economic activity directly measured by airports.

While this report does quantify actual economic impact generated by Indiana airports, it is near impossible to put a dollar value on many of the other competitive advantages airports offer. Airports do more than allow local business to go from point A to point B. For instance, airports grant businesses the opportunity to present themselves to customers around the world. When a business flies a customer in to see the quality of a product firsthand, the customer is more inclined to buy the product. When the sales office lands a client because they were responsive to the client, airports facilitated the deal.

The bottom line is simple; travel will generate sales and sales will generate jobs. These jobs help local communities thrive in today's global marketplace.

Executive Summary

A statewide study of the economic impact of Indiana airports has been conducted by the Aviation Awareness Committee of the Aviation Association of Indiana (AAI). This study is the 11th update since the first study was completed in 1984. The study addresses individually the value of the economic benefits generated at airports throughout the State of Indiana and totals in dollars their combined economic benefit for the State.

To summarize the findings of this study:

The total annual impact of direct and indirect airport economic activity on Indiana's economy is estimated to be more than **\$2.9 billion**. These expenditures in turn generate an induced annual impact of more than **\$1.3 billion**. In addition, transportation cost savings exceeded more than **\$567 million** providing a total annual impact of more than **\$ 4.9 billion**.

- Airports mean jobs to communities. At Indiana airports, more than **18,937 people** are employed. These jobs represent more than **\$480 million** in direct wages statewide.
- Tax revenues from aviation excise tax, registration fees, and sales taxes on aircraft totaled more than **\$2.4 million** in 2005. These taxes are paid annually by aviation users into the state treasury. This number does not include sales tax on aircraft sold by licensed aircraft dealers.

In addition to the impact created by airports in the State of Indiana, the aviation industry impacts the State through university programs, access to travel, weather services, customs services, foreign trade zones, and airport development zones. This study identifies the impact of direct expenditures (on the airport), indirect expenditures (off airport expenditures resulting from the airport presence), and induced expenditures (dollar turnover due to airport spending) generated in the community as a result of airport spending. In addition, transportation cost savings have been estimated for each airport to identify the value of a local facility compared to using a more distant airport. A variety of sources were tapped to devise viable formulas for relating survey data, operational data, and based aircraft data to an airport's dollar value. When calculating the induced impact, or "multiplier effect," conservative multipliers have been used, which are documented in the formula explanation section of this report.

For this study, surveys were sent out to the 102 public use airports in Indiana and 53 were returned. Of the 102 airports surveyed, 75 are publicly owned. Of the publicly owned airports, 47 returned the survey. Based aircraft, operational data, averages from the survey responses, and U.S. Department of Transportation recommended values were also examined for all the public use airports. These other figures allowed conservative estimates to be made for airports that did not return a survey.

An Appendix to the report is available that details the findings at each airport. Should further information about this study be desired, please contact Bart Giesler, Aviation

Association of Indiana, (317) 916-4184.

Definitions

There are four categories of benefits used in the economic impact formula.

Direct Impacts

Direct impacts are the impacts resulting from expenditures by the airport and the airport tenants. These expenditures are associated with the service providers at the airport including the airport operator (public or private), fixed base operators (FBOs), air carriers, freight haulers, concessionaires, retailers, government installations, educational institutions, military facilities, flight schools, maintenance operations, and others. The value of the direct impacts is the combined total of all payroll, operating, and capital expenditures. Strictly speaking, the ***direct impacts represent economic activities that would not occur in the absence of the airport.***

Payroll - Payroll includes the payroll of the airport operator for personnel involved in the operation of the airport and airport tenants for personnel on the airport.

Operating Expenditures - Operating expenditures are all expenditures by the airport owner/operator and tenants required to keep the airport and aviation operations open for business. These include office supplies; operating supplies, including rental space, landing fees, fuel fees; repair and maintenance supplies; and other supplies.

Capital Expenditures - Capital expenditures are all expenditures by the owner/operator or tenants for land and buildings, machinery and equipment, facility improvements, and other capital outlays.

Indirect Impacts

Indirect impacts are the impacts from expenditures related to airport activity, but generated away from the airport facility. The indirect impacts include spending from items such as hotels, restaurants, travel agencies, and ground transportation. The level of indirect impacts depends upon the numbers of people traveling through the airport and their spending pattern in the surrounding community.

Induced Impacts

Induced impacts are the impacts from the subsequent rounds of spending and re-spending in the community, which begin with spending by the airport and airport tenants, otherwise known as the "multiplier effect." This impact could also include the spending and re-spending made by passengers. But to maintain a more conservative formula, only those expenditures actually made on the airport (direct impacts) have been included to calculate the induced impact.

Transportation Cost Savings

Transportation cost savings are the savings of time and money associated with additional ground transportation that would be required if the airport was not located at its present location and an alternate comparable airport was used. Transportation cost savings represents a dollar figure for the savings in productive time and vehicle costs by having an available local airport rather than being required to travel to a more distant alternate airport.

Formula Explanation

The *AAI Economic Impact Study of Airports in Indiana* was developed for the purpose of placing a dollar value on the impact of airport related expenditures that Indiana's airports bring to their respective communities. Many sources have been used in the continual refinement of this formula. The formula combines the analysis of survey data and aircraft operations data.

The formula uses four categories to determine Indiana's airports' value: direct impacts, indirect impacts, induced impacts, and transportation cost savings.

Direct Impacts:

$$\begin{aligned} & \text{Airport Payroll and Related Expenditures} \\ + & \text{Tenant Payroll and Related Expenditures} \\ + & \text{Airport Operating Expenditures} \\ + & \text{Tenant Operating Expenditures} \\ + & \text{Airport Capital Expenditures} \\ + & \text{Tenant Capital Expenditures} \\ = & \text{Direct Benefits of Airport Spending} \end{aligned}$$

Indirect Impacts:

$$\begin{aligned} & \text{General Aviation Transient Expenditures} \\ + & \text{Deplaned Passenger Expenditures} \\ = & \text{Indirect Benefits of Passenger Spending} \end{aligned}$$

Induced Impacts:

$$\begin{aligned} & \text{Induced Impact of Direct Expenditures} \\ = & \text{Induced Benefits of Money Circulation} \end{aligned}$$

$$\begin{aligned} & \text{Subtotal-Direct, Indirect and Induced Impacts} \\ + & \text{Transportation Cost Savings} \end{aligned}$$

$$= \text{TOTAL ECONOMIC IMPACT OF AIRPORT}$$

Direct Impacts

Most direct impact information is supplied by the airport through the survey process. The total for each category -- airport and tenant payroll, airport and tenant operating expenditures, and airport and tenant capital expenditures -- are summed to calculate the direct impact. Not all airports will have spending in each of the categories every year.

If an airport did not return a survey, the direct impacts were estimated by using United States Department of Transportation employment estimates per based aircraft and average salary of airport operators and tenants on general aviation (GA) airports returning the AAI survey. The 2005 average salary at responding GA airports was \$.

Number of Based Aircraft	10 - 19	20-49	50-99	100 and over
Number of Employees	1	3	7	14

Source: U.S. DOT Estimating the Regional Significance of Airports, September 1992.

At the largest airport (Indianapolis International Airport), only 50% of all of the capital expenditures were used in the formula. This was done to be consistent with the study conducted solely for Indianapolis International Airport, which used the 50% factor to account for what would stay in the local area. In assembling the AAI formula, it was determined that this is a reasonable assumption at larger airports that are at least a medium hub airport, but not at the other airports in Indiana. At Indianapolis International Airport, some of their largest tenants have headquarters in other areas of the country. Also, some of the capital improvement projects may be specialized enough that only a select number of contractors in the country would have the skills or equipment to complete the project. At the other airports in Indiana, the tenants are primarily headquartered locally and most of the construction can be accomplished by local area contractors.

Direct Impacts = airport payroll + tenant payroll + airport operating expenditures + tenant operating expenditures + airport capital expenditures + tenant capital expenditures

Indirect Impacts

Indirect impacts are calculated using formulas based on transient aircraft operations data and deplaned passenger data. The transient aircraft operations data are available from INDOT or the air traffic control tower at towered airports. The deplaned passenger data are available from the commercial service airports. These data are used to calculate the general aviation (GA) transient expenditures (expenditures made by people using general aviation aircraft to travel into the airport from another location more than 20 miles away) and deplaned passenger expenditures (expenditures made by people arriving via commercial aircraft). Some airports have both types of expenditures. Many airports in Indiana will have only general aviation transient expenditures because airline service is not available at the airport. The Indiana Department of Transportation (INDOT) keeps records of aircraft operations through their

aircraft traffic counting program. Therefore, even if no survey is returned, the indirect impacts of an airport can be calculated.

Indirect Impacts = General Aviation Transient Expenditures + Deplaned Passenger Expenditures

General Aviation Transient Expenditures equals . . .

- general aviation transient operations (*estimated from INDOT and local records*).
- **divided** by 2 for trips (one landing and one takeoff).
- **multiplied** by an average of 2.5 people on the aircraft (*Aircraft Owners and Pilots Association's (AOPA) 2000 Aviation Fact Card*).
- **multiplied** by an average of \$96.01 spending per person per day (*D.K. Shifflet & Associates Ltd. (DKS&A) Directions for the State of Indiana 1997 adjusted to reflect 2005 dollars adjusted by the CPI*) or local data where available.
- **multiplied** by an average stay of 1.1 days (*DKS&A Directions for the State of Indiana Second Quarter 1995-First Quarter 1996*) or local data where available.

Deplaned Passenger Expenditures equals . . .

- Number of deplaned passengers (*from local records*)
- **multiplied** by \$96.01 spending per person per day (*DKS&A Directions for the State of Indiana 1997 adjusted to reflect 2005 dollars adjusted to reflect the CPI*) or local data where available.
- **multiplied** by 1.1 days (*DKS&A Directions for the State of Indiana Second Quarter 1995-First Quarter 1996*) or local data where available.

Indirect Impacts = (GA Transient Operations/ 2 x 2.5 passengers per operation x \$96.01 per person day or local data where available x 1.1 days or local data where available) + (number of deplaned passengers x \$96.01 per person day or local data where available x 1.1 days or local data where available)

Induced Impacts

Induced impacts are the multiplier effect of the direct impacts. Each dollar of direct impacts results in an additional dollar of induced impacts through the turn over of money in a community. It was assumed that 50% of the direct spending stays in the community during each round of spending and 50% leaves the community. Based on a turnover of money in the economy of 6.1 times, the initial expenditure of \$1 will lead to a total spending of about \$2 within one year (*Indianapolis International Airport Economic Impact and Community Services*). In other words, each dollar in direct spending generates an additional dollar through turnover. This is the same conservative, common multiplier for all airports used in the economic impact studies of specific airports conducted by the American Association of Airport Executives (AAAE). Induced impacts can only be calculated for airports for which there are direct impacts.

$$\text{Induced Impacts} = \text{Direct Impacts} \times 1$$

Transportation Cost Savings

The transportation cost savings formula uses the value of time and the cost of ground transportation to the nearest comparable alternate facility. There may be two alternate facilities for an airport with commercial service, one for the commercial service element of their traffic and one for the general aviation element of their traffic. Most airports in Indiana will only have transportation cost savings due to general aviation traffic. Transportation cost savings were estimated for all airports whether or not they returned a survey by identifying an alternate comparable facility.

$$\text{Transportation Cost Savings} = \text{value of time} + \text{travel costs}$$

Value of Time equals . . .

- General aviation operations (*INDOT record*) **multiplied** by 2.5 people per operation (*AOPA*) **multiplied** by the distance to the alternate airport (*various maps*)
- **plus** enplaned passengers (*airport data*) **plus** deplaned passengers (*airport data*) **multiplied** by distance to alternate airport (*various maps*)
- all of the above **divided** by 45 mph (*FAA recommended average driving speed*)
- **multiplied** by \$ 31,150 (2005 estimated average per capita income for Indiana from U.S. Department of Commerce, Bureau of Economic Analysis.
- **divided** by 2,080 work hours per person year (*52 weeks with 40 hours per week*).

Travel costs equal . . .

- general aviation operations (*assume if people fly together they will drive together*) **multiplied** by alternate distance (*various maps*)
- **plus** enplaned passengers (*airport data*) **plus** deplaned passengers (*airport data*) **divided** by 3.7 persons per car (*1993 Tourist Expenditures in Indiana Counties*) **multiplied** by alternate distance
- all of the above **multiplied** by \$0.405 per mile (*federal mileage reimbursement rate for first 8 months of 2005. Rate for the last 4 months of 2005 was \$0.485 but AAI decided to keep number constant at the lower rate for calculations*)

Transportation Cost Savings = {(GA operations x 2.5 people per operation x alternate distance) + [(enplaned passengers + deplaned passengers) x alternate distance]} / 45 mph x 31,150 per year / 2,080 work hours per person year + {(GA operations x alternate distance) + [(enplaned passengers + deplaned passengers) / 3.7 people per car x alternate distance]} x \$0.405 per mile

2005 Study Findings

Airports mean value and jobs to a community. The total economic impact is the combination of economic benefit and transportation cost savings.

Economic Benefit

The total economic benefit of direct and indirect economic activity on Indiana's economy is estimated to be more than **\$ 2.9 billion**. These expenditures turnover in the communities through spending and re-spending, generating an additional **\$ 1.3 billion** within one year. This provides economic benefit of more than **\$ 4.2 billion**.

Transportation Cost Savings

Indiana residents realize a transportation cost savings of **\$ 567 million** in time value and travel expense as a result of the public use airports located throughout the state.

Total Economic Impact

Combining the economic benefits and transportation cost savings results in a total economic impact of more than **\$ 4.9 billion** for Indiana airports.

Jobs

Airports mean jobs to communities. At Indiana airports responding to the survey, more than **18,937 people** are employed representing more than **\$ 480 million in wages**.

There are other values of airports as well.

There are some benefits that Indiana's airports provide that may be difficult to quantify with a dollar amount or are primarily only available as an aggregate total for the state.

Access to travel

The growth of passenger traffic and total operations over the last decade is a good reflection of the increasing access to aviation and aviation services available to the residents of Indiana. Aviation has evolved from a rapid source of transportation to a source of mass transportation. In 2005, more than million people boarded airplanes in Indiana for commercial flights.

Tax Revenue

Indiana collects excise taxes, registration fees, and sales/use taxes on aircraft. For calendar year 2005, this amounted to **\$753,374** in excise taxes, **\$100,483** in registration fees, and more than **\$2.4 million** in sales taxes. The amount for sales tax only includes individuals selling aircraft and does not include sales by Indiana Aircraft Dealers. The amount collected by dealers cannot be determined at this time because the breakdown is not available. Based on only the wages reported in the survey, Indiana also collects individual income taxes of **\$16.3 million** from people employed at airports. The amount of corporate income tax that Indiana's airports help to generate is indeterminable. The amount of money Indiana collects from fuel sales cannot be determined at this time. For 2005 AAI estimates that Indiana collected a minimum of **\$18.7 million** in tax revenue related to airports.

Education

Most airports in Indiana offer tours to schools, scouts and other groups. In addition, programs through Embry Riddle Aeronautical University, Indiana State University, Ivy Tech State College, Purdue University, and Vincennes University supply educated people to fill jobs in the aviation industry.

Flight Instruction

Most airports in Indiana have flight instruction available at the airport, which builds a supply of pilots for tomorrow. With military cutbacks, the civilian training of future pilots is becoming increasingly important to the industry.

Weather Service

The Indianapolis International Airport supports a local office of the National Oceanic and Atmospheric Administration (NOAA) that collects important information on regional weather conditions on a 24 hour basis. The FAA operates an Automated Flight Service Station (AFSS) at the Terre Haute International Airport. In addition, airports across Indiana have Automated Surface Observing Systems (ASOS) and Automated Weather Observing Systems (AWOS) equipment that provide continual weather observation with minute by minute updates.

International Customs Service

Three airports in Indiana, Fort Wayne International, Indianapolis International, and Terre Haute International provide customs service to international shippers. Local customs services create advantages for local industries and passengers. The customs service recently added additional agents to meet the needs in Ft. Wayne and Indianapolis. Most of the shipments through Fort Wayne involve auto parts for Canadian plants. Companies can save thousands of dollars by being able to clear customs at Fort Wayne rather than having to land the plane an additional time in Buffalo or Detroit. At Indianapolis, the customs service allows the airport to handle passengers returning from foreign destinations and also to process freight from foreign destinations.

Foreign Trade Zones

Six airports in Indiana have a designated foreign trade zone, including subzones. These airports include Fort Wayne International, Gary/Chicago, Indianapolis International, South Bend Regional, Terre Haute International and Evansville Regional. A foreign trade zone (FTZ) is a port of entry for companies that manufacture and distribute all types of products. Goods can be brought into the FTZ for processing without import taxes. Import taxes are not paid until the materials leave the FTZ and enter the United States, usually as a part of a finished product. This can result in tax savings if the finished product is taxed at a lower rate than the individual parts. If the materials leave the FTZ and do not enter the United States, then no import taxes are paid.

Economic Attraction

In addition to the direct economic activity, Indiana's airports allow Hoosier businesses access to the world and their markets. Because of Indiana's location, Indiana companies (personnel and products) – can be anywhere in North America in just hours. Many Hoosier companies use the aviation system to transport personnel and product to other company locations or to customer locations. In 2005, Indiana exported \$21.5 billion in goods. In addition, their local airport can be the gateway to customers from

around the world.

With its central location, Indiana airports are a prime location for industries in the overnight freight business. Overnight courier, Federal Express, operates a sorting hub in Indianapolis and Kitty Hawk Air Cargo operates out of Ft. Wayne International. In addition, South Bend Regional supports operations for UPS, Fed-EX and Airborne Express and Warsaw Municipal supports operations for UPS.

Indiana must continue to exhibit a strong commitment to aviation. This will provide our communities, both large and small, a continued vital link to the national and international air transportation system.

What is the Aviation Association of Indiana?

The Aviation Association of Indiana (AAI) represents the complete spectrum of aviation activity in Indiana. Its membership includes general aviation airports, commercial service airports, aviation support industries, aerospace educators, small communities and large communities. AAI provides the aviation industry with a forum for sharing common experiences. Because aviation is a dynamic industry, an alliance of its professionals is vitally important.

AAI's general membership meets quarterly to disseminate current aviation information, exchange ideas, and share concerns. These quarterly meetings provide a forum for open discussions of aviation topics. Representatives of the Federal Aviation Administration; Indiana Department of Transportation, Aeronautics Section; and national aviation organizations often participate in these meetings to lend their perspective to the discussion.

Annually, AAI sponsors a three-day conference in the fall. This conference allows AAI members to enjoy speakers of national prominence, as well as to focus on the aviation issues in Indiana. The annual AAI conference allows the members of AAI to strengthen their network of contacts and to share in the knowledge of the events in aviation around the state.

Each year, AAI members set an aggressive legislative agenda. AAI provides a voice for aviation interests throughout the State. It represents every region of Indiana, providing a network to present critical aviation issues to our state legislators.

Aviation is critical to our state's economy. AAI can assist airports in bringing that message to their communities. Since 1984, AAI has conducted biennial updates of this study to aid airports in quantifying their value in dollars.

If you have any questions or need additional information about AAI, please contact AAI's office at (317) 916-4300.

Acknowledgments

The AAI Public Awareness Committee thanks the following organizations for their assistance in this year's update.

- Aircraft Owners and Pilots Association (AOPA)
- American Association of Airport Executives (AAAE)
- D.K. Shifflet & Associates, Ltd. (DKS&A)
- Federal Aviation Administration (FAA)
- Indiana Department of Transportation (INDOT)
- Indiana Department of Revenue
- Indiana Department of Commerce
- All responding airports

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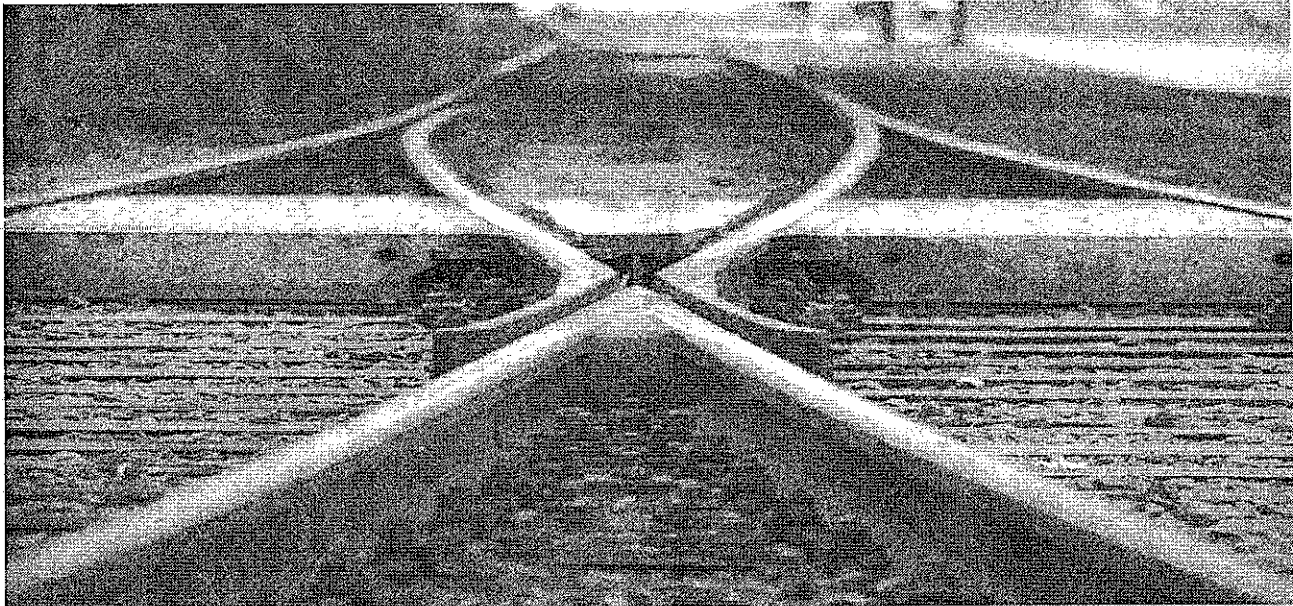
Indiana's Global Exports 2006 Indiana University Kelley School of Business, Indiana Economic Development Corporation.

Airport	Direct &			Induced Impact	Trans. Cost	2005 Total Impact	Survey Returned
	Associated City	Ownership	Indirect Impact				
Alexandria	Alexandria	Private	\$153,004	\$0	\$175,010	\$328,014	No
Anderson Municipal	Anderson	Public	\$4,545,145	\$2,596,416	\$689,057	\$7,830,618	Yes
Arens Field	Winamac	Public	\$260,859	\$35,971	\$112,888	\$409,718	No
Boone County	Lebanon	Private	\$486,676	\$107,913	\$83,182	\$677,771	No
Boonville	Boonville	Public	\$148,843	\$35,971	\$118,473	\$303,287	No
Brazil	Brazil	Public	\$676,898	\$35,971	\$172,394	\$885,263	No
Butler-Harold	Butler	Private	\$86,337	\$0	\$32,360	\$118,697	No
Clark County	Jeffersonville	Public	\$20,338,137	\$14,495,024	\$1,368,781	\$36,201,943	Yes
Clinton	Clinton	Public	\$262,520	\$0	\$186,354	\$448,874	No
Columbus Municipal	Columbus	Public	\$26,448,862	\$23,394,493	\$1,100,773	\$50,944,129	Yes
Converse	Converse	Public	\$22,178	\$0	\$20,782	\$42,960	No
Crawfordsville Municipal	Crawfordsville	Public	\$1,038,676	\$107,913	\$436,073	\$1,582,662	No
Daviess County	Washington	Public	\$1,897,706	\$1,673,599	\$262,491	\$3,833,795	Yes
DeKalb County	Auburn	Public	\$5,391,168	\$4,584,837	\$365,589	\$10,341,593	Yes
Delaware County	Muncie	Public	\$34,538,583	\$31,638,223	\$773,866	\$66,945,622	Yes
Delphi Municipal	Delphi	Public	\$352,053	\$107,913	\$121,683	\$581,650	No
Eagle Creek Airport	Indianapolis	Public	\$12,918,970	\$6,982,820	\$534,037	\$20,435,827	Yes
Elkhart Municipal	Elkhart	Public	\$17,951,376	\$15,752,191	\$532,936	\$34,236,503	Yes
Elwood	Elwood	Private	\$44,357	\$0	\$48,317	\$92,674	No
Evansville Regional	Evansville	Public	\$96,423,461	\$35,613,260	\$27,297,632	\$159,334,354	Yes
Flora	Flora	Public	\$44,885	\$0	\$20,918	\$65,802	No
Flying U Ranch	Union Mills	Private	\$9,901	\$0	\$5,492	\$15,393	No
Frankfort Municipal	Frankfort	Public	\$1,457,143	\$942,157	\$337,787	\$2,737,087	Yes
Franklin Flying Field	Franklin	Private	\$561,908	\$107,913	\$425,354	\$1,095,175	No
Freeman Municipal	Seymour	Public	\$2,014,675	\$1,282,316	\$428,898	\$3,725,890	Yes
French Lick	French Lick	Public	\$496,369	\$35,971	\$301,982	\$834,322	No
Fort Wayne International	Fort Wayne	Public	\$249,564,026	\$165,984,741	\$22,601,936	\$437,950,703	Yes
Fulton County	Rochester	Public	\$1,040,776	\$353,000	\$374,687	\$1,768,462	Yes
Galveston	Galveston	Public	\$3,300	\$0	\$309	\$3,610	No
Gary/Chicago	Gary	Public	\$78,509,566	\$74,010,432	\$1,313,783	\$153,833,781	Yes
Glendale	Kokomo	Private	\$338,150	\$35,971	\$113,260	\$487,381	No
Goshen Municipal	Goshen	Public	\$8,388,312	\$6,855,000	\$766,345	\$16,009,657	Yes
Greensburg-Decatur County	Greensburg	Public	\$366,615	\$107,913	\$404,016	\$878,544	No
Greenwood Municipal	Indianapolis	Public	\$3,689,844	\$2,772,375	\$1,074,611	\$7,536,830	Yes
Griffith-Merrillville	Griffith	Private	\$8,148,619	\$5,581,506	\$656,029	\$14,386,154	Yes
Hagerstown Airport	Hagerstown	Public	\$249,952	\$232,625	\$2,165	\$484,742	Yes
Hendricks County	Indianapolis	Public	\$2,055,868	\$838,580	\$164,267	\$3,058,715	Yes

Airport	Associated City	Ownership	Direct &		Trans. Cost	2005 Total	Survey
			Indirect Impact	Induced Impact	Savings	Impact	Returned
Hobart Sky Ranch	Hobart	Private	\$729,650	\$85,000	\$75,506	\$561,811	Yes
Huntingburg Airport	Huntingburg	Public	\$8,566,911	\$7,859,053	\$758,032	\$17,183,990	Yes
Huntington Municipal	Huntington	Public	\$3,904,432	\$2,882,250	\$478,904	\$7,265,586	Yes
Ind. Downtown Heliport	Indianapolis	Public	\$777,978	\$179,820	\$47,204	\$1,005,002	Yes
Indianapolis Executive	Indianapolis	Public	\$23,709,693	\$19,598,710	\$536,925	\$43,845,328	Yes
Indianapolis Metropolitan	Indianapolis	Public	\$15,211,397	\$8,060,022	\$965,044	\$24,236,463	Yes
Indianapolis Mt. Comfort	Indianapolis	Public	\$14,895,027	\$8,548,962	\$1,189,404	\$24,633,393	Yes
Indpl International	Indianapolis	Public	\$1,846,919,667	\$714,060,980	\$452,796,914	\$3,013,777,561	Yes
Jasper County	Rensselaer	Public	\$1,222,872	\$335,000	\$311,983	\$1,869,855	Yes
Kendallville Municipal	Kendallville	Public	\$1,241,355	\$756,500	\$524,215	\$2,522,070	Yes
Kentland Municipal	Kentland	Public	\$394,674	\$210,000	\$173,044	\$777,718	Yes
Kokomo Municipal	Kokomo	Public	\$5,028,234	\$2,640,000	\$319,690	\$7,987,924	Yes
Lake Village	Lake Village	Private	\$339,867	\$35,971	\$86,293	\$462,131	No
Laporte Municipal	Laporte	Public	\$1,507,910	\$693,860	\$286,043	\$2,487,813	Yes
Lee Bottom	Hanover	Public	\$13,201	\$0	\$4,231	\$17,432	No
Logansport Municipal	Logansport	Public	\$863,954	\$639,626	\$191,091	\$1,694,672	Yes
Lowell	Lowell	Private	\$74,915	\$35,971	\$51,657	\$162,543	No
Madison Municipal	Madison	Public	\$4,833,622	\$1,229,000	\$1,206,289	\$7,268,912	Yes
Marion Municipal	Marion	Public	\$1,743,648	\$700,000	\$543,289	\$2,986,937	Yes
Mentone	Mentone	Private	\$10,165	\$0	\$3,377	\$13,542	No
Mettel Field	Connersville	Public	\$360,461	\$35,971	\$152,027	\$548,459	No
South Bend Regional	South Bend	Public	\$280,866,492	\$64,873,822	\$25,220,475	\$370,960,789	Yes
Michigan City Phillips*	Michigan City	Public	\$2,572,410	\$1,964,170	\$142,484	\$4,679,064	Yes
Miller	Bluffton	Private	\$47,261	\$0	\$48,540	\$95,801	No
Mishawaka Pilots club	Mishawaka	Private	\$831,073	\$251,797	\$321,174	\$1,404,044	No
Monroe County	Bloomington	Public	\$17,520,597	\$14,827,460	\$1,288,150	\$33,631,207	Yes
Nappanee	Nappanee	Public	\$156,236	\$35,971	\$91,686	\$283,893	No
New Castle-Henry Co.	New Castle	Public	\$302,583	\$107,913	\$217,155	\$627,651	No
Noblesville	Noblesville	Private	\$1,008,554	\$297,000	\$95,249	\$1,400,803	Yes
North Vernon	North Vernon	Public	\$769,815	\$769,815	\$378,181	\$1,255,910	No
Orleans	Orleans	Public	\$93,202	\$0	\$32,360	\$125,562	No
Parr's Place	Cloverdale	Private	\$283,024	\$52,000	\$108,237	\$443,261	Yes
Paoli Municipal	Paoli	Public	\$41,716	\$0	\$22,216	\$63,933	No
Perry County Municipal	Tell City	Public	\$132,785	\$0	\$150,815	\$283,599	No
Peru Municipal	Peru	Public	\$2,484,208	\$2,124,999	\$134,635	\$4,743,842	Yes
Plymouth Municipal	Plymouth	Public	\$1,572,115	\$283,596	\$268,905	\$2,124,015	Yes

Airport	Associated City	Ownership	Direct &		Trans. Cost	2005 Total	Survey
			Indirect Impact	Induced Impact			
					Savings	Impact	Returned
Pope Field	Greenfield	Private	\$239,605	\$0	\$76,279	\$315,884	No
Porter County Municipal	Valparaiso	Public	\$13,732,957	\$9,617,229	\$933,760	\$24,313,946	Yes
Portland Municipal	Portland	Public	\$386,071	\$35,971	\$273,315	\$695,357	No
Post Air	Indianapolis	Private	\$27,723	\$0	\$38,965	\$66,688	No
Purdue University	Lafayette	Public	\$19,166,386	\$12,090,000	\$4,142,997	\$35,399,382	Yes
Putnam County	Greencastle	Public	\$2,204,423	\$107,913	\$1,052,401	\$3,364,737	No
Ralph Koch Field	Poseyville	Private	\$22,178	\$0	\$41,563	\$63,741	No
Randolph County	Winchester	Public	\$1,000,670	\$524,576	\$159,325	\$1,684,572	Yes
Reese	Muncie	Private	\$141,318	\$35,971	\$98,712	\$276,001	No
Richmond	Richmond	Public	\$1,372,704	\$107,913	\$1,185,137	\$2,665,753	No
Robinson	Vevay	Private	\$8,977	\$0	\$86,268	\$95,245	No
Salem Municipal	Salem	Public	\$559,439	\$25,797	\$166,308	\$977,544	No
Scottsburg	Scottsburg	Private	\$42,640	\$0	\$16,180	\$58,820	No
Shawnee Field	Bloomfield	Private	\$129,701	\$35,971	\$307,270	\$472,942	No
Shelbyville Municipal	Shelbyville	Public	\$1,821,163	\$1,115,444	\$826,593	\$3,763,200	Yes
Sheridan	Sheridan	Public	\$247,531	\$107,913	\$261,650	\$617,094	No
Sky King	Terre Haute	Private	\$604,285	\$107,913	\$583,616	\$1,295,813	No
Skylene	Evansville	Private	\$341,709	\$107,913	\$222,969	\$672,591	No
Smith Field	Fort Wayne	Public	\$2,470,878	\$2,345,557	\$117,428	\$4,933,863	Yes
Starke County	Knox	Public	\$2,383,428	\$1,253,654	\$189,050	\$3,826,133	Yes
Steuben Co.-Tri State	Angola	Public	\$2,647,357	\$1,387,154	\$737,486	\$4,771,996	Yes
Sullivan County	Sullivan	Public	\$1,007,072	\$426,000	\$453,731	\$1,886,803	Yes
Terre Haute Intl	Terre Haute	Public	\$75,659,850	\$71,395,542	\$1,004,467	\$148,059,859	Yes
Wabash Municipal	Wabash	Public	\$840,226	\$532,766	\$115,239	\$1,488,230	Yes
Warsaw Municipal	Warsaw	Public	\$21,737,701	\$20,460,547	\$598,361	\$42,796,608	Yes
Waterloo Walker/Rowe	Waterloo	Private	\$33,003	\$0	\$50,822	\$83,825	No
Westfield	Westfield	Private	\$376,165	\$107,913	\$99,888	\$583,966	No
White County	Monticello	Public	\$442,964	\$107,913	\$156,975	\$707,852	No
VI Grissom	Bedford	Public	\$2,242,278	\$107,913	\$799,979	\$3,150,170	No
Total			\$2,973,647,775	\$1,372,874,736	\$567,437,077	\$4,912,969,335	

For more information please contact Bart Giesler at (317) 916-4184



Northwest Indiana Regional Development Authority

Comprehensive Economic Development Plan

January 9, 2007

Chicago market enplanement forecast adds constraints to the growth at O'Hare and Midway. It becomes an vital component of the Chicago aviation system by the end of the planning period. Capital improvement will predicate enplanement growth at the Gary Airport. In 2010, the main runway extension will be complete, allowing expanded commercial service. Enplanements are expected to grow moderately until 2018, when new, high capacity terminal facilities are slated to open. Designed for growth, the new terminal will be scalable, and able to accommodate increasing passenger traffic. Once the terminal is finished, the Gary/Chicago Airport will grow quickly. By 2030, Gary is forecasted to enplane nearly 7% of the Chicago air market.

Table 10

Chicago Market Enplanement Forecast (1,000 Enplanements)					
	2007	2010	2015	2020	2030
Gary/Chicago	50	88	308	1,626	4,839
% of Market	0.1%	0.2%	0.6%	2.8%	6.4%
Chicago Midway	8,674	9,306	10,462	11,762	14,866
% of Market	20.9%	20.9%	20.8%	20.3%	19.6%
Chicago O'Hare	32,781	35,167	39,537	44,449	56,181
% of Market	79.0%	78.9%	78.6%	76.9%	74.0%
Chicago Market	41,505	44,561	50,307	57,837	75,886

As noted earlier, the Manchester-Boston Airport has become an important secondary airport to Boston Logan. From 1990 to 2005, Manchester-Boston's share of the Boston passenger enplanement market (including Boston Logan, TF Green Airport in Providence RI, and Manchester-Boston) grew from 3% to 13%.

Return on Investment

Changes in transportation capacity in a regional economy can significantly impact economic performance. Perhaps the most apparent mechanism that produces this result relates to the impact transportation infrastructure improvements have on business productivity.

Transportation improvements also stimulate the economy through their impact on the access given to households on jobs, shopping and amenities. Better transportation access increases the livability of a region, which in turn helps attract and retain households. Finally, transportation improvements can also be expected to have a larger impact on a regional economy to the extent that the investments and operations of those transportation facilities increase visitor flow and/or are financed by tax dollars collected outside the region.

An analysis of the impacts of an aggressive airport development program in northwest Indiana reveals that investments in air travel capacity have a very significant impact on economic activity. Specifically, we find that improvements:

- ultimately increase employment in Lake and Porter counties by 86,390 jobs by the year 2040
- increase after-tax income (per year) by \$5.3 billion by 2040, as measured in year 2006 dollars
- cause population in Lake and Porter counties to grow by about 192,000 people over the next 33 years
- yield results that grow over time and can be expected to yield additional net benefits beyond the forecast period

All of these results represent the difference between "build" and "no build" scenarios, and should be interpreted as impacts above and beyond baseline growth.

In deriving these impacts, we described and detailed three separate mechanisms through which the construction and operation of an expanded airport would impact the regional economy:

- 1) **Transportation Access** An estimate of the additional business access to air travel that the GYY provides to the Chicago market as it grows. This access factor has the effect of reducing business costs and provides northwest Indiana businesses with a competitive advantage. We estimate that by the year 2021, GYY improvements will provide a more than 25% increase in access to air travel for northwest Indiana businesses and households.
- 2) **Construction**: Like any investment in hard assets, the construction of buildings, runways, taxiways and other structures will result in near term jobs and therefore economic activity. The approximately \$650 million in construction and infrastructure development occurring on the GYY site will provide substantial growth in construction related employment and economic activity. This is more so to the extent that construction is financed from sources outside the region.
- 3) **Operation**: Airports are large-scale businesses that employ workers, purchase goods from local and national vendors, and support synergistic businesses. The jobs are in the airlines that serve the passengers, or move freight, in rental and leasing services, government, and hotels and restaurants. Using industry studies on the number of jobs created by a unit of air activity, the Airport is estimated to produce approximately 11,500 [non-construction] jobs directly related to the Airport itself by the time the new terminal is in place. These direct jobs are part of the stimulus to the economy resulting from the Airport's rapid growth.

GARY CHICAGO INTERNATIONAL AIRPORT AUTHORITY

ETHICS ORDINANCE

GARY CHICAGO INTERNATIONAL AIRPORT AUTHORITY

ETHICS ORDINANCE

AN ORDINANCE TO PROMOTE PUBLIC CONFIDENCE AND PRESERVE THE INTEGRITY OF THE AUTHORITY IN THE OPERATION AND MANAGEMENT OF THE GARY CHICAGO INTERNATIONAL AIRPORT, TO ESTABLISH CLEAR DISCLOSURE REQUIREMENTS AND STANDARDS OF CONDUCT FOR ALL BOARD MEMBERS, OFFICERS, EMPLOYEES AND OTHERS WORKING ON BEHALF OF THE AUTHORITY AND TO ESTABLISH PROCEDURES GOVERNING THE CONDUCT OF AIRPORT BUSINESS TO AVOID CONFLICTS OF INTEREST, TO PROHIBIT DISCLOSURE OF CONFIDENTIAL INFORMATION, AND PROHIBIT ENGAGING IN IMPROPER OUTSIDE EMPLOYMENT OR RENDERING OF SERVICES INCOMPATIBLE WITH OFFICIAL DUTIES. THIS ORDINANCE WILL ESTABLISH COMPLIANCE WITH ETHICAL STANDARDS AND PRACTICES REQUIRED BY THE AUTHORITY AND BY LAW. IT IS HEREBY ORDAINED BY THE: GARY CHICAGO INTERNATIONAL AIRPORT AUTHORITY

SECTION 1. DEFINITIONS

For purposes of this Ordinance, the following terms, phrases, words and their derivatives shall have the meanings given herein. Words in the present tense include the future, words in the plural number include the singular number, and words in the singular number include the plural number. All capitalized terms used in the definition of any other term shall have their meaning as otherwise defined in this Section. The words "shall" and "will" are mandatory and "may" is permissive. Words not defined shall be given their common and ordinary meanings unless the context suggests otherwise. When a right or duty pertains to the holder of a specific position, such as the President, the same right or duty pertains to any designee to whom the holder of the position may lawfully delegate the right or duty.

(a) **Authority** means the Gary Chicago International Airport Authority.

(b) **Board** means, when used with the article "the," as in any reference to "the Board," the body which directs and governs the Authority. Used generically, "board" means any voting body which is established to participate as a body in some manner in the conduct of the business of the Authority, whether established by state law, resolution, ordinance, contract, collective bargaining agreement or any other lawful means.

(c) **Business** means an activity, association, commercial entity, corporation, enterprise, firm, franchise, holding company, joint stock company, limited liability company, organization, partnership, receivership, self-employed individual, sole proprietorship, trust or

other legal entity established to earn or otherwise obtain money, whether for profit or (g) non-profit, excluding a municipal corporation or governmental entity.

(e) **Business with which a Public Servant is Associated** means a Business in which any of the following applies:

(1) The Public Servant or Partner in Interest is a partner, director, manager, officer, trustee, employee or independent contractor (or any holds any equivalent or advisory position) in relation to the Business; or

(2) The Public Servant or a Partner in Interest, severally or in the aggregate, is the beneficial owner, within the meaning of Rule 13d-3 under the Securities Exchange Act of 1934, as amended, of a publicly traded equity interest which represents more than a one percent equity interest; or

(3) The Public Servant or a Partner in Interest, severally or in the aggregate, is the beneficial owner, within the meaning of Rule 13d-3 under the Securities Exchange Act of 1934, as amended, of an equity interest which is not publicly traded and which represents more than a one percent equity interest; or

(4) Any Business, regardless of ownership or value, in which the Public Servant or a Partner in Interest has a Personal Interest; or

(5) Any Business, regardless of ownership or value, by whom or for whose benefit a Decision Maker is influenced to act in the hope or expectation of obtaining a Personal Benefit for the Public Servant or for a Partner in Interest of the Public Servant.

(f) **Candidate** means an individual who is a candidate or an applicant for an Authority position involving employment.

(g) **Civil Aeronautics Enterprise** means any Business engaged in providing flight services to the public for the carrying of persons and/or property, or such other meaning as may be ascribed to such term under any judicial interpretation thereof.

(h) **Committee** means the Ethics Committee established by the Board to operate under the provisions of this Ordinance.

(i) **Confidential Information** means information which has been obtained by a Public Servant, and which information is not available to members of the public under the Indiana Freedom of Information Act, as the same may be amended from time to time, or other law, regulation or policy and which the person is not authorized to disclose, including:

(1) any written information that could lawfully be excepted from disclosure pursuant to state law, unless the Public Servant disclosing it is authorized to do so by state law, or pursuant to some other pertinent law, policy or procedure; and

(2) any non-written information which, if it were written, could be excepted from disclosure under state law, unless the Public Servant disclosing it is authorized to do so by the state law, or pursuant to some other pertinent law, policy or procedure; and

(3) information which was obtained in the course of or by means of a record or oral report of a lawful closed session, whether or not the disclosure of the information would violate state law, unless the Public Servant disclosing it is authorized by state law to do so, or unless the Public Servant disclosing it has been properly authorized to disclose it pursuant to an applicable law, policy or procedure; however, when such information is also available through channels which are open to the public, this provision does not prohibit Public Servants from disclosing the availability of those channels.

(j) **Compensation** means any Benefit conferred upon or received by any person in return for services rendered or to be rendered.

(k) **Conflict of Interest** means not only a Personal Interest, as defined in this Ordinance, but also a professional or other non-pecuniary Interest.

(l) **Controlled or Illegal Substance** means any drug or other substance, the use of which is regulated by federal or state law, except that within the meaning of this Ordinance the term does not include any drug or substance which has been lawfully prescribed by an authorized person for the use of a Public Servant, and which is used by the Public Servant in accordance with the prescription.

(m) **Decision Maker** means any Public Servant or group of Public Servants empowered to act in a discretionary manner on behalf of the Authority in any capacity whatsoever, including the making of recommendations. Decision Maker includes, but is not limited to, any person who is charged with implementing and administering particular resolutions or ordinances of the Board or executive or administrative decisions. In this Ordinance, the term "Decision Maker" is used to represent any and every Public Servant who could take any discretionary action regarding a Matter in which a Public Servant or a Partner in Interest has or may have a Conflict of Interest, or as a result of which a Public Servant might receive a Personal Benefit.

(n) **Decision making** means the exercise of any discretionary public power in any capacity whatsoever, including the making of recommendations, by any Public Servant whose action pertains to a Matter in which a Public Servant or a Public Servant's Partner in Interest has or may have a Conflict of Interest, or as a result of which a Public Servant might receive a Personal Benefit.

(o) **Disclose** means, unless this Ordinance permits or requires another procedure, to file, with the secretary of the Board in a form required or authorized under this Ordinance, signed by the Public Servant who is required to file the document, which informs the public in accordance with the requirements of this Ordinance of a Conflict of Interest or a potential

Conflict of Interest, and any other information pertinent to the purpose of filing the document, including the name and address of any person alleged to have a Conflict of Interest or a potential Conflict of Interest. Unless this Ordinance or a law which supersedes it requires or permits another procedure, information shall be deemed Disclosed if any Public Servant within a reasonable time before any Official Action is to be taken by the Decision Maker, files an affidavit with the secretary of the Board disclosing the nature and extent of the Public Servant's Conflict of Interest, and identifying the Decision Maker(s) who may act on the Matter. For purposes of this provision, "within a reasonable time" means, to the extent possible, within adequate time to allow the appropriate person at the Authority, acting within the Authority's normal schedule and procedures for transmitting written documents, to forward the disclosure to the Decision Maker(s) before whom the Matter is pending or may be brought, and within adequate time to allow the Decision Maker(s) to review the disclosure before taking any Official Action.

(p) **Employee** means a person employed by and receiving remuneration to work for the Authority in a managerial or professional capacity, but excluding Officers of the Authority and persons covered by a collective bargaining agreement between the Authority and a labor union to which the person belongs.

(q) **General Counsel** means the person designated as such by the Board, or, in the absence of such designation, the person having charge of all Matters of a legal nature involving the Authority.

(r) **Gift** means any Benefit or thing or act of value which is conveyed to or performed for the Benefit of a Public Servant or a Partner in Interest, including any advance, award, contract, contribution, deposit, employment, favor, forbearance, Gift, gratuity, honorarium, Loan which is not a Permitted Loan, payment, service, subscription, or the promise that any of these things or act of value will be conferred in the future, if such thing or act of value is conferred or performed without the lawful exchange of consideration which is at least equal in value to the thing or act conferred or performed.

(s) **Immediate Family** means a person who is related to a Public Servant as a spouse, sibling of a spouse, child (whether by marriage, blood or adoption), spouse of a child, parent, sibling or spouse of a sibling.

(t) **Independent Counsel** means legal counsel licensed to practice in the State of Indiana who has not performed any legal services for GCLIA or the Authority other than pursuant to this Ordinance during the one year period preceding the date of such Independent Counsel's retention by the Authority, and who agrees not to perform

any other legal services other than pursuant to this Ordinance for GCIA or the Authority during the period of such retention and for a period of one year following the termination of such retention.

(u) **Interest** means any Personal Benefit accruing to a Public Servant or the Public Servant's Partner in Interest, whether in the Public Servant's own name or the name of any person or Business from which the Public Servant is entitled to receive any Personal Benefit, as a result of a Matter which is or which is expected to become the subject of an Official Action by or with the Authority.

(v) **Loan** means a transfer of money, property or anything else of ascertainable monetary value in exchange for an obligation, conditional or not, to repay in whole or in part.

(w) **Matter** means, unless the context of this Ordinance indicates otherwise, any act, action agenda item, allegation, application, amendment, auction, business, case, certification, charge, claim, consideration, contract, controversy, decree, deed, deliberation, discussion, hearing, issue, lease, license, Loan, measure, offer, order, ordinance, permit, personnel action, petition, policy, presentation, procedure, privilege, proceeding, project, proposal, proposition, purchase, rate setting, recommendation, regulation, rental, request, resolution, sale, subject, subsidy, transaction, or other discretionary choice pending before an Authority Decision Maker when a Public Servant or a Partner in Interest has a Personal Interest in the outcome of the decision, or the decision may result in a Personal Benefit to a Public Servant or a Partner in Interest.

(x) **Ministerial action** means an action that a Public Servant performs in a given set of circumstances in a prescribed manner in obedience to the mandate of applicable authority, without regard to the exercise of the Public Servant's own judgment as to the propriety of the action being taken.

(y) **Officer** means the chairperson, vice chairperson or secretary of the Board or such other additional officers of the Board as the Board considers necessary to elect, or the President of the Authority, Vice President of the Authority or the Secretary of the Authority.

(z) **Official Action** means any act, action, approval, decision, denial, directive, disapproval, inaction, order, performance, non-performance, recommendation, vote, or other direct result of a Public Servant's exercise of discretionary authority in connection with the Public Servant's public position.

(aa) **Official Duty** means any Official Action or Ministerial Action which a Public Servant is obligated or authorized to perform by virtue of being a Public Servant.

(bb) **Organization** means, unless the context indicates otherwise, any non-profit Business other than an individual or governmental agency.

(cc) **Partner in Interest** means, when used in this Ordinance in connection with a Public Servant, as in the phrase "a Public Servant or a Partner in Interest," any and all of the following:

- (1) a member of the Public Servant's Immediate Family; or
- (2) a Business with which the Public Servant or a member of the Public Servant's Immediate Family is Associated; or
- (3) any other person with whom the Public Servant or a member of his Immediate Family is in business, or is negotiating or has an agreement concerning future employment or the future conferring of any Personal Benefit, whether in the Public Servant's own name or the name of any Business or person from whom the Public Servant is entitled, or expects to become entitled, to receive any Personal Benefit, as a result of a contract or transaction which is, or which is expected to become, the subject of an Official Action by or with the Authority. The term Partner in Interest does not imply or require any form of legal partnership or formal agreement.
- (4) When used in the phrase "a Public Servant or a Partner in Interest," the term "Partner in Interest" refers only to a Partner in Interest of the Public Servant to whom reference is being made, and not to any other person's Partner in Interest.

(dd) **Permitted Loan** means any Loan which does not discriminate against or in favor of an individual who is a Public Servant because of such individual's status as a Public Servant, if the lender is a bank, savings and loan association, credit union, broker-dealer extending credit under Federal Reserve Regulation T, or other financial institution regulated under state or federal law, the Loan was made in the ordinary course of business, and the borrower reasonably believes that the Loan was made on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with other persons, and did not involve more than the normal risk of collectibility or present other unfavorable features.

(ee) **Personal Benefit** means any benefit which is offered or received, or perceived to be offered or received, primarily for the purpose of influencing the manner in which a Public Servant performs or refrains from performing an Official Action, so that an attempt is made to induce the Public Servant, or the Public Servant is induced, to act in favor of some interest other than the public interest on the basis of an expectation or hope that the Public Servant or a Partner in Interest of the Public Servant will obtain some private gain by acting against the public interest, but excluding those items set forth below which are deemed to be primarily public benefits rather than Personal Benefits. For purposes of this definition, "benefit" means (i) anything, regardless of its monetary value, perceived or intended by either the one who offers it or the one to whom it is offered to be sufficient in value to influence a Public Servant in the performance or non-performance of an Official Action; or (ii) anything, regardless of its monetary value, which, under the circumstances, a reasonably prudent person in the position of the Public Servant to whom the thing is or may be offered, would recognize as being likely to be

intended to influence the Public Servant in the performance or nonperformance of an Official Action; and (iii) the term "benefit" includes, but is not limited to, a valuable act, admission to any fundraiser or other event, advance, airline ticket upgrade, award, contract, Compensation, contribution, deposit, discount, emolument, employment, entertainment, favor, fee, forbearance, fringe benefit, Gift, gratuity, honor, Loan which is not a Permitted Loan, offer, payment, perquisite, privilege, promise, reward, remuneration, service, subscription, or the promise that any of these things will be conferred in the future.

The term "Personal Benefit" within the meaning of this Ordinance does not include any of the following, which, although they may benefit individual Public Servants, are deemed to be primarily public benefits rather than Personal Benefits:

(1) payment by the Authority of salaries, Compensation or employee benefits; or payment by an employer or Business other than the Authority of salaries, Compensation, employee benefits or pursuant to a contract, when the payment is unrelated to a Public Servant's status as a Public Servant and is not made for the purpose of influencing, directly or indirectly, the vote, Official Action or decision of a Public Servant; or

(2) fees, expenses, or income, including those resulting from outside employment, which are permitted and reported in accordance with the policies of the Authority; or

(3) authorized reimbursement of actual and necessary expenses; or

(4) campaign or political contributions which are made and reported in accordance with state law; or

(5) hospitality extended for a purpose unrelated to the official business of the Authority; or

(6) meals or refreshments furnished in connection with public events, appearances or ceremonies related to official Authority business, if furnished by the sponsor of such public event; or in connection with speaking engagements, teaching or rendering other public assistance to an Organization or another governmental entity; this provision applies only if the Authority does not also pay the person for the same activity; or

(7) awards publicly presented in recognition of public service; or

(8) Gifts or other tokens of recognition presented by representatives of governmental bodies or political subdivisions who are acting in their official capacities; or

(9) anything of value, regardless of the value, when the thing of value is offered to the Authority, is accepted on behalf of the Authority, and is to remain the property of the Authority; or

(10) Permitted Loans; or

(11) complimentary copies of trade publications; or

(12) reasonable Compensation for a published work which did not involve the use of the Authority's time, equipment, facilities, supplies, staff or other resources, if the payment is arranged or paid by the publisher of the work; or

(13) reasonable Compensation for a published work which did involve the use of the Authority's time, equipment, facilities, supplies, staff or other resources, if the payment of the Compensation to the Public Servant is lawfully authorized by a representative of the Authority who is empowered to authorize such Compensation; or

(14) anything of value, if the payment, Gift, or other transfer of value is unrelated to and does not arise from the recipient's holding or having held a position with the Authority, and if the activity or occasion for which it is given does not involve the use of the Authority's time, equipment, facilities, supplies, staff or other resources in any manner or degree which is not available to the general public.

(ff) **Personal Interest** means a direct or indirect Interest having value peculiar to a particular individual or group, whether the value is pecuniary or non-pecuniary, which value may accrue to such individual or group or result in such individual or group deriving or potentially deriving a Personal Benefit as a result of the approval or denial of any ordinance, resolution, order or other Official Action, or the performance or nonperformance thereof, by a Public Servant, and which Interest is not shared by the general public. For purposes of this Ordinance, a Personal Interest is not only the Personal Interest of the individual Public Servant, but also the Interest of any Partner in Interest.

(gg) **Public Servant** means any member of the Board, Officer, or Employee of the Authority.

(hh) **Statement or Disclosure Statement** when used in reference to the disclosure requirements established by this Ordinance, means the prescribed form(s) for fulfilling the disclosure requirements.

SECTION 2. EXEMPTIONS.

(a) No Public Servant shall be deemed to have a Conflict of Interest by virtue of carrying out any contract pursuant to which the Public Servant directly or

indirectly received income or benefits in the form of Compensation for the performance of official duties.

(b) A former Public Servant is not prohibited from entering into a contract to represent or provide services to the Authority in any Matter.

(c) No Public Servant shall be deemed to have a Conflict of Interest by virtue of sharing, directly or indirectly, in the Benefit of a lawful Authority action when the Benefit to the Public Servant is substantially the same as the Benefit to the public at large or to a segment of the public to whom the Benefit is provided in a nondiscriminatory manner.

(d) This Ordinance does not prohibit any Public Servant from taking any action to approve the lawful payment of salaries, employee benefits, reimbursements of actual and necessary expenses, or other lawful payments which are authorized in accordance with Authority policies.

(e) This Ordinance does not prohibit Public Servants from taking any Official Action properly within the scope of their duties with respect to any proposal to enact or modify law, rules or regulations or public policy.

(f) This Ordinance does not prohibit Public Servants from taking any action permitted by the Indiana Code of Ethics, as the same may be amended from time to time

(g) Actions which might otherwise be alleged to constitute a Conflict of Interest shall be deemed to comply with this Ordinance and not to be a Conflict of Interest if:

(1) before acting, the Public Servant requested and received a written opinion from Independent Counsel; and

(2) the material facts, as stated in the request for an opinion, are true and complete; and

(3) the actions taken were consistent with the opinion.

SECTION 3. DUTIES.

(a) No Public Servant or former Public Servant shall divulge to any unauthorized person Confidential Information acquired in the course of holding his or her position in advance of the time prescribed for its release to the public.

(b) All Public Servants shall respond fully and truthfully to any inquiries by Independent Counsel or the Board in connection with the investigation of an alleged or potential violation of this Ordinance. All Public Servants shall cooperate fully in any investigation by Independent Counsel or the Board, and shall locate, compile and produce

for them such information as they may reasonably request in order to effectuate the purposes of this Ordinance, unless the information requested is exempt from disclosure under applicable law.

(c) All Public Servants have a general duty to report any ethical violations of this Ordinance of which they have knowledge to the Committee. The Committee may cause Independent Counsel to review such Matter. Upon completion of its review, Independent Counsel shall report its findings to the Committee for its determination. The Committee shall thereupon advise the Board of its recommendation with respect to such Matter. The Board shall thereupon take such action as it deems necessary and appropriate in accordance with this Ordinance and applicable law. No Public Servant who reports or is about to report an ethical violation shall be subject to any of the following sanctions because he or she reported or was about to report an ethical violation:

- (1) dismissal from employment or office; or
- (2) withholding of salary increases that are ordinarily forthcoming to the Public Servant; or
- (3) withholding of promotions that are ordinarily forthcoming to the Public Servant; or
- (4) demotion in employment status; or
- (5) transfer of employment location.

(d) A member of the Board, or the spouse or his or her siblings, children or their spouses, parents, or siblings or their spouses of the Board member, may not be actively engaged or employed in any other business, vocation, or employment of any Civil Aeronautics Enterprise connected with the Gary Chicago International Airport.

(e) A member of the Board or spouse or his or her siblings, children or their spouses, parents, or siblings or their spouses of the Board member, shall not have any direct pecuniary interest in any Civil Aeronautics Enterprise connected with the Gary Chicago International Airport, except as follows. Such persons may have a combined direct pecuniary interest of up to one percent of the outstanding publicly traded equity interests of any such Civil Aeronautics Enterprise, provided that such equity interests were owned by such persons on the date the Board member became a member of the Board. If any violation of the foregoing should occur at any time during a Board member's term of service, the member of the Board, or his or her relative shall have thirty days to divest, or arrange for the divestment of, the interest that caused the violation.

(f) (a) In addition to being a violation of law, it is also a violation of this Ordinance for any Public Servant to violate the Act or to:

(1) Be convicted of any felony or misdemeanor involving moral turpitude, whether or not the crime relates directly to the duties of the Public Servant's position in public service; or

(2) Be found guilty of violating any federal, state or local law prohibiting discrimination against any protected class; or

(3) Be found guilty of violating any federal, state or local laws prohibiting sexual harassment; or

(4) Be found guilty of violating any federal, state or local laws prohibiting retaliation against Public Servants who assert a lawfully claim of any nature or otherwise engage in lawfully protected activity; or

(5) Be found guilty of violating any state laws governing lobbying activities conducted by the Public Servant; or

(6) Be found guilty of violating any Authority policy, ordinance or regulation relating to alcohol, any Controlled or Illegal Substance, over-the-counter medication or prescription drugs; or

(7) Be found guilty of violating any federal, state or local laws or policies regulating political activity; or

(8) Be convicted of a violation of other general federal, state and local laws or Authority policies, ordinances or regulations, which the Board determines contributes to the erosion of public trust.

SECTION 4. CONFLICT OF INTERESTS AND PERSONAL BENEFITS PROHIBITED.

(a) Members of the Board, Officers, appointees and Employees of the Authority are Public Servants under Indiana Code 35-44-1-3, and are subject to any other applicable law with respect to Conflicts of Interest. Members of the Board may be considered to have a Conflict of Interest under Indiana Code 35-44-1-3, in respect to any contract or subcontract involving the GCIA if the Board member was considered a state officer under such act. All Board members, Officers and Employees must periodically Disclose Interests and relationships which may give rise to Conflicts of Interest in accordance with policies and procedures described herein.

(b) Except as otherwise permitted under applicable federal and state laws and the Authority's policies, ordinances and regulations, no Public Servant shall have a Personal Interest in any Official Action. If a law, ordinance, regulation or policy permits a Public Servant to have such an Interest, in seeking the opportunity to further that Interest, or in furthering the Interest if the opportunity is obtained, the Public Servant who has the Interest shall comply fully with all procedures required under the applicable laws, ordinances, regulations or policies, and shall not, under any circumstances, gain or attempt to gain any advantage by virtue of being in a public position.

(c) No Public Servant shall accept or receive, directly or indirectly, from any person, including one whose identity is unknown to the Public Servant, any Personal Benefit or Benefit for any Business or Organization, under circumstances in which it can reasonably be inferred that the Benefit is intended to influence the Public Servant in the performance or non-performance of any Official Duty or as a reward for any Official Action of the Public Servant.

(d) No Public Servant shall accept or receive, directly or indirectly, any Personal Benefit or Benefit for any Business or Organization from any person or entity known to such Public Servant to be a current or prospective vendor, contractor, concession or tenant of any airport under the control of the Authority, including, without limitation, any Personal Benefit which is a Gift, meal, entertainment, Loan which is not a Permitted Loan, service (including any services provided to the Public Servant for at least fair market value), airline ticket upgrade, or discount.

(e) No spouse of a member of the Board or an Officer and no child (whether by blood, marriage or adoption) living at the home of any such person may accept or remain in any employment relationship with the Authority or with any vendor, contractor, concession or tenant of any airport under the control of the Authority, unless such employment relationship is in effect on the effective date of this Ordinance.

(f) No member of the Board may enter into any contract, including any contract involving an employment or consulting relationship, with any vendor, contractor, concession or tenant of any airport under the control of the Authority, unless all of the following conditions are met:

(1) the equity interests of the Business or any of its affiliates are publicly traded;

(2) the Board member and the Board member's Partner in Interest have a combined direct pecuniary interest in such Business or its affiliate, as applicable, not exceeding one percent of the outstanding publicly traded equity interests of such Business or affiliate

(3) the amount of the contract or other compensation will not in the aggregate exceed one-half of one percent of the gross revenues of such Business for its most recently ended fiscal year;

(4) the Board member had a pre-existing business relationship with such Business on the date he or she became a member of the Board;

(5) the contract would be at arms' length, for a market rate, and the services or goods provided in accordance with the contract would be at least equal in value to the amount paid;

(6) the Authority receives a written opinion of Independent Counsel substantially to the effect that such contract will be entered into in material compliance with the provisions of this Ordinance and applicable law; and

(7) the contract is approved by the Board.

(g) No Public Servant nor Partner in Interest of that Public Servant shall solicit from any person, directly or indirectly, any Personal Benefit or Benefit for any Business or Organization, regardless of value, or the promise of receiving a Personal Benefit in the future for the Public Servant or the promise of any future Benefit for any Business or Organization, under circumstances in which it can reasonably be inferred that the Benefit is intended to influence the Public Servant in the performance or non-performance of any Official Duty or as a reward for any Official Action of the Public Servant.

(h) No current or former Public Servant shall intentionally use or disclose information gained in the course of, or by reason of, his or her official position or activities in any way that could result in the receipt of any Personal Benefit for the Public Servant, for a Partner in Interest of that Public Servant, or for any other person, if the information is not public information or if the Public Servant has not been authorized to communicate it to the public. This provision shall not:

(1) prohibit the disclosure of any such information to incumbent Public Servants to whose duties the information may be pertinent; or

(2) prevent any Public Servant from reporting violations of this Ordinance or other illegal acts to the proper authorities; or

(3) prohibit the disclosure of any such information the disclosure of which is required by law.

No person, including any vendor, contractor, or Business, shall offer or give any Personal Benefit to any Public Servant or any Partner in Interest of the Public Servant.

SECTION 5. COMPLICITY.

No person shall, directly or indirectly, aid, abet, agree with, assist, encourage or solicit any Public Servant or a Public Servant's Partner in Interest to violate this Ordinance or to participate in any way in a violation of this Ordinance with or by another person.

SECTION 6. DELIBERATION AND VOTE PROHIBITED.

Except as otherwise provided by law or the policies, ordinances and regulations of the Authority, no Public Servant shall, in such capacity, participate in the discussion, debate, deliberation or vote, or otherwise take part in the decision making process on any Matter in which the Public Servant or a Partner in Interest has a Conflict of Interest.

SECTION 7. DUTY TO LEAVE MEETING.

To avoid the appearance of impropriety, after any Public Servant or a Partner in Interest is determined to have a Conflict of Interest or a potential Conflict of Interest in any Matter, and once all questions relating to the Conflict of Interest have been answered to the satisfaction of the Decision Maker, the Public Servant shall immediately leave the meeting room, except that if the Matter is being considered at a public meeting, the Public Servant may remain in the area of the room occupied by the general public. If a Public Servant who has a Conflict of Interest in a Matter is present as a member of a body which is to consider the Matter, the Public Servant shall leave his or her regular seat as a member of the body, and not return to it until deliberation and action on the Matter is completed.

Nothing herein shall require members of voting bodies to leave their seats while action is taken regarding any item contained on a "consent agenda" on which there is no deliberation, the Public Servant's conflict has been Disclosed, and the Public Servant abstains from voting on the item.

SECTION 8. PUBLIC CONTRACTS.

(a) The Authority is prohibited from entering into any contract involving services or property of a value in excess of \$200 with a Business in which a Public Servant or a Public Servant's Partner in Interest has any interest, unless all of the conditions set forth in (1), (2), (3) and (4) below have been met:

(1) the equity interests of the Business or any of its affiliates are publicly traded;

(2) the Public Servant and the Public Servant's Partner in Interest have a combined direct pecuniary interest in such Business or its affiliate, as applicable, not exceeding one percent of the outstanding publicly traded equity interests of such Business or affiliate;

(3) the amount of the contract will not in the aggregate exceed one-half of one percent of the gross revenues of such Business for its most recently ended fiscal year;

(4) the Authority receives a written opinion of Independent Counsel substantially to the effect that such contract will be entered into in material compliance with the provisions of this Ordinance, the Authority's Procurement and Contracting Ordinance, and applicable law; and

(5) the contract is approved by the Board.

(b) Any Public Servant who has or may have a Personal Interest in any contract shall Disclose such Interest prior to the first of any of the events set forth in (1), (2), (3), and (4) below:

- (1) The solicitation of a contract; or
- (2) The bidding of a contract; or
- (3) The negotiation of a contract; or
- (4) The approval by the applicable body or Decision Maker of a contract.

If the Committee determines an Authority contract to be ethically improper, after such determination and advice from the Committee, the Board may void or seek termination of the contract if legally permissible.

SECTION 9. DISCLOSURE OF CONFLICT OF INTEREST OR POTENTIAL CONFLICT OF INTEREST.

A member of the Board or a member of the Committee who has or may have a Conflict of Interest in a Matter which requires an Official Action by any Decision Maker, shall, before the Matter is decided, Disclose the Conflict of Interest or the potential or alleged Conflict of Interest. The disclosure shall include a description of the nature of the member's Interest and any reasons reasonably known to the member why the transaction may not be in the best interest of the public or the Authority. If the member of the Board or the member of the Committee believes that no Conflict of Interest exists, or that despite any alleged or potential special Interest, such member is nevertheless able to vote and otherwise participate fairly, objectively and in a manner consistent with the public interest, then the member shall so state in the written disclosure. All questions relating to a special Interest shall be resolved before the Matter is decided, and if the Matter comes before the Board or the Committee, as applicable, before the Board or Committee, as applicable, engages in any consideration of the merits of the Matter.

If the General Counsel or any Assistant General Counsel has or may have a Conflict of Interest in any Matter before the Committee or the Board, or if any attorney who is responsible for performing any functions on behalf of the Committee or the Board is precluded from doing so because of a legal Conflict of Interest (such as that arising from the representation of a party whose legal position is averse to that of the Committee) which cannot be resolved by the General Counsel's office internally by screening or some other method, the attorney shall Disclose the Personal Interest, or the nature of the conflict, to the Committee or the Board, as the case may be. The disclosure shall include a description of the nature of the Personal Interest or the conflict and, as applicable, any reasons reasonably known to the attorney why the transaction

may not be in the best interest of the public or the Authority. If the Committee or Board, as applicable, determines that the attorney has a Personal Interest in the Matter, or if the General Counsel determines that the General Counsel's office cannot resolve the conflict in a manner which will allow the General Counsel's office to perform its duties properly in the Matter, then the Committee or Board, as applicable, may engage the services of Independent Counsel upon such terms and conditions as it may approve in accordance with the policies of the Board.

(c) Any Public Servant who has or may have a Conflict of Interest shall Disclose it to the secretary of the Committee. The disclosure shall include a description of the nature of the Public Servant's Interest and any reasons reasonably known to the Public Servant why the transaction may not be in the best interest of the public or the Authority. After receiving a disclosure, the secretary of the Committee or his or her designee shall:

(1) promptly forward a copy of the disclosure to the Decision Maker which may act on the Matter; and

(2) promptly forward a copy of the disclosure to any person who is named in the disclosure as having or potentially having a Conflict of Interest; and

(3) promptly forward a copy of the disclosure to the members of the Committee and, if applicable, to any Independent Counsel which has been retained which respect to such Matter.

(d) Any Public Servant who believes that any other Public Servant has a Conflict of Interest in any agenda item before any body shall Disclose such Interest to the secretary of the Committee, and the secretary of the Committee or his or her designee shall forward copies of such disclosure to the person who is alleged to have a Conflict of Interest, the Decision Maker which may act on the Matter, the members of the Committee and, if applicable, to any Independent Counsel retained with respect to such Matter.

(e) A Public Servant, in addition to disqualifying himself or herself from participation in any decision regarding the pecuniary or employment interest of a Partner in Interest, shall make known the existence of the relationship and the interest by filing, in writing, with the secretary of the Board an affidavit disclosing the relationship and the nature and extent of the Conflict of Interest involved.

(f) The secretary of the Board or the Committee, as applicable, shall maintain a record of the disclosures which are required to be made pursuant to this Section, which become part of the record of the Authority's proceedings.

SECTION 10. UNAUTHORIZED OUTSIDE EMPLOYMENT.

Public Servants who are not appointed members of the Board may not engage in outside employment without the approval of the Board.

Neither the General Counsel nor any Assistant General Counsel shall engage in any private practice of law for Compensation during the period in which they hold office without the approval of the Board.

SECTION 11. DISCLOSURE STATEMENT: WHO MUST FILE.

(a) All Public Servants as of December 31 of any year are required to file a Disclosure Statement.

(b) Any Public Servant who was not a Public Servant at the time the filing was required for the current year, shall file the required Statement within twenty-one days following the date he or she first became a Public Servant. The Statement shall be current as of the date the Public Servant became a Public Servant, except that a Public Servant who has previously filed a current Statement during that year is not required to file a new one merely by virtue of entering a new position.

(c) Any Candidate for appointment or hiring to an Authority employment position designated as requiring the filing of a Statement shall file the Statement within fourteen days of the date the Candidate is informed on behalf of the Authority that he or she is being nominated or considered for appointment or hiring, or by such earlier date as may reasonably be necessary under the circumstances of the person's potential appointment or hiring, unless the Candidate has previously filed a Statement which is current for that year. The information on the Statement shall be as of the latest practicable date. Following the receipt of a Candidate's Statement, the Board shall forward copies of the Statement to the appropriate person(s) responsible for such Candidate's appointment or hiring.

SECTION 12. DISCLOSURE STATEMENT: FILING.

(a) An initial Disclosure Statement shall be filed with the secretary of the Board by any individual who on the effective date of this Ordinance is a Public Servant who is required under this Ordinance to file a Statement. The Statement shall be filed with the secretary of the Board no later than one hundred and twenty calendar days after the effective date of this Ordinance, and shall be current as of the latest practicable date.

(b) A Disclosure Statement shall be filed with the secretary of the Board by any individual who on December 31 of any year is a Public Servant who is required under this Ordinance to file a Statement. The Statement shall be filed with the secretary of the Board no later than the following March 15, and shall be current as of the December 31 preceding the date of filing.

(c) The President shall certify a list to the secretary of the Board no later than January 30 of each year, showing the name and address of the top twenty-five persons or entities doing business with the Authority, in terms of the dollar amount of business done with the Authority during the preceding year.

(d) Income from, and financial investments in, policies of insurance, deposits in accounts from commercial or savings banks, savings and loan associations, or credit unions, and the ownership of less than five percent of the outstanding shares of stock in a publicly held corporation shall not be required to be included on a Disclosure Statement.

(e) All filed Disclosure Statements and the certified list prepared by the President referred to above shall be retained by the secretary of the Board for a period of at least three years.

SECTION 13. DISCLOSURE STATEMENT: FORM.

Every Disclosure Statement which is required to be filed under this Ordinance with respect to a Public Servant shall be in the form prescribed from time to time by the Board. Information which is required shall be provided on the basis of the best knowledge, information and belief of the reporting Public Servant, and shall be written or printed. The Statement shall be dated and signed by the reporting Public Servant personally.

SECTION 14. DISCLOSURE STATEMENT: PROCEDURES.

(a) The Authority shall certify to the secretary of the Board as soon as practicable after the effective date of this Ordinance a list, current as of the latest practicable date, of the names and mailing addresses of the persons who are required to file a Disclosure Statement.

(b) The Authority's shall certify to the secretary of the Board by January 30 of each year a list, current as of the previous December 31, of the names and mailing addresses of the persons who are required to file a Disclosure Statement in the current year.

(c) The secretary of the Board shall, in writing, notify all persons required to file Disclosure Statements under this Ordinance as soon as practicable after receipt of the certified lists from the Authority's Personnel Director and Chief Financial Officer. Notice shall be delivered by first class mail to the last known address appearing in Authority records. The notice shall include a copy of the list showing the name and address of each person or entity doing business with the Authority contained in the list described in SECTION 12(c).

(d) A Disclosure Statement shall be considered filed when it is received by the secretary of the Board.

SECTION 15. DISCLOSURE STATEMENT: COMMERCIAL USE PROHIBITED.

No person shall use for any commercial purpose information contained in or copied from Disclosure Statements filed under this Ordinance or from lists compiled from such Statements.

SECTION 16. DISCLOSURE STATEMENT: CONTENTS.

The Statement shall contain the following information:

(a) The name, address and type of business of every Business with which the reporting Public Servant is Associated and the nature of the association with the Business, except that no identification need be made of any of the following for purposes of this subsection:

(1) the Authority; or

(2) any organization which is organized and operated primarily to influence voting at an election including support for or opposition to an individual's present or future candidacy or to a present or future referendum; or

(3) any nonprofit organization which is formed exclusively for religious purposes and any nonprofit community service organization.

(a) The name of any Business required to be identified in subsection (a) above and from which income in excess of \$100 was derived by the reporting Public Servant or a Public Servant's Partner in Interest during the preceding year, excluding dividends, interest, or anything of pecuniary value reported under this Ordinance or under state law.

(b) The name of any Business required to be identified in subsection (a) above in which the reporting Public Servant or a Partner in Interest of the Public Servant, severally or in the aggregate, is the beneficial owner, within the meaning of Rule 13d-3 under the Securities Exchange Act of 1934, as amended, of an equity interest which represents more than a one percent equity interest.

(c) The name of any creditor to whom the reporting Public Servant or a Partner in Interest of the Public Servant, severally or in the aggregate, owes \$500 or more; provided, however, that no disclosure needs to be made with respect to a Permitted Loan which is not in default.

(d) The name of any unit of government, other than the Authority, which employed the reporting Public Servant during the preceding calendar year.

(e) The identity of each payer not required to be identified pursuant to subsection (a) from which the reporting Public Servant or a Partner in Interest of the Public Servant received \$100 or more in income for the preceding taxable year of such person, except that if the reporting Public Servant identifies the general nature of the Business in which he or she or any Partner in Interest is engaged, then no identification need be made of a decedent's estate or an individual, not acting as a representative of a Business. In addition, no identification need be made of payers from which only dividends or interest, or anything of pecuniary value reported under this Ordinance or under state law, were received.

(f) The name of the top twenty-five persons or entities, in terms of the dollar amount of business done with the Authority during the preceding year, as shown on the certified list prepared by the Chief Financial Officer for such year, from which such disclosing party or a Partner in Interest has received any Personal Benefit severally or in the aggregate having a total value of \$100 or more during the preceding year.

(g) The name of any person or Business not shown on the certified list prepared by the Chief Financial Officer for such year from whom the reporting Public Servant or a Partner in Interest received during the preceding calendar year any Personal Benefits having an aggregate value in excess of \$100.

(h) The Board may, in its discretion, require such additional information as it may deem necessary in order to effectuate the purposes of this Ordinance. Such additional information may be requested by the Board from an individual reporting Public Servant or from categories of Public Servants as the Board determines in its sole discretion.

SECTION 17. DISCLOSURE STATEMENT: AMENDMENTS.

Every person who is required to file a Disclosure Statement shall amend the Statement from time to time as necessary to ensure the continued accuracy thereof. Each such amendment shall be made within thirty days following any occurrence which causes the Statement to be materially inaccurate.

SECTION 18. DISCLOSURE STATEMENT: FAILURE TO FILE.

(a) The secretary of the Board shall notify any Public Servant who fails to file a required Disclosure Statement by the prescribed filing date of each year, by certified mail, of the failure to file by the specified date. The Public Servant shall file the required Statement within ten business days after having received the notice. Failure to file the required Statement within such period after having received the notice shall constitute a violation of this Ordinance, unless an extension has been obtained in accordance with the provisions of this Ordinance.

(b) Failure of a person to file the required Disclosure Statement after the giving of the notice described in the preceding subsection and the expiration of any

applicable extension shall be reported in writing to the Board by the secretary of the Board, and may constitute grounds for removal of such person from his or her position with the Authority; provided, however, that Board members may only be removed in accordance with the Act.

SECTION 19. DISCLOSURE STATEMENT: EXTENSION.

A Public Servant who is required to file a Disclosure Statement may have one thirty-day filing extension by filing a notice with the secretary of the Board by the date on which the Disclosure Statement is due. Failure to file by the extended deadline shall constitute a violation of this Ordinance.

SECTION 20. DISCLOSURE STATEMENT: REVIEW.

(a) As soon as practicable after the receipt of the required Disclosure Statements each year, the Committee shall cause Independent Counsel to review such Disclosure Statements to determine whether there has occurred or whether there is the potential for the occurrence of any transactions by the Authority that would create a Conflict of Interest involving members of the Board, Officers and Employees or the Authority. Upon completion of its review, Independent Counsel shall report its findings to the Committee and shall provide the Committee with a summary pursuant to SECTION 23 below.

(b) The Committee may refer a Matter to Independent Counsel for review and consideration. Upon completion of its review and consideration, Independent Counsel shall report its findings to the Committee for its determination. The Committee shall thereupon advise the Board of its recommendation with respect to such Matter.

SECTION 21. POST EMPLOYMENT ACTIVITIES.

No former Public Servant:

(a) during the 12 months following the date on which he or she ceases to be a Public Servant, may, for Compensation, on behalf of any person other than a governmental entity,

(1) make any formal or informal appearance before, or negotiate with, any Decision Maker in connection with any Matter which might give rise to a judicial or quasi-judicial proceeding and which was under the Public Servant's responsibility as a Public Servant within 12 months prior to the date on which he or she ceased to be a Public Servant; or

(2) engage in any activity which is perceived to be primarily for the purpose of influencing any Decision Maker or the manner in which a Public Servant performs or refrains from performing an Official Action; or

(b) may, for Compensation, act on behalf of any party other than the Authority in connection with any Matter which was under the Public Servant's responsibility as a Public Servant and which might give rise to a judicial or quasi-judicial proceeding involving the Authority; or

(c) shall use or continue to use any former official Authority title, including use on business cards or stationery, following termination of employment with the Authority, except that such use is not prohibited if the Public Servant indicates that the employment with the Authority was former to current employment.

SECTION 22. ETHICS COMMITTEE.

(a) There is created an Ethics Committee of the Board, consisting of three members of the Board.

(b) The members of the Committee shall be selected by the Board; provided that at least two of the members shall have been appointed to the Board by different appointing entities.

(c) The Committee shall select its own presiding officer and secretary from among its members.

(d) A Committee member shall hold office until the earlier of his or her resignation or change in Board committee assignment.

(e) The Committee's meetings shall be open to the public, and public notice of such meetings shall be given, if required by applicable law or the Board so directs.

(f) The Board shall provide such staff support for the Committee as the Board determines to be necessary for the Committee to fulfill its duties.

SECTION 23. DUTIES AND POWERS OF THE COMMITTEE; OPINIONS.

The Committee shall, in addition to its other duties:

(a) at the first meeting of the Board occurring after October 1 of each year, cause each Independent Counsel retained during the preceding year to submit an annual report to the Board concerning its actions in the preceding year; the report shall contain a summary of its review of the Disclosure Statements and the opinions issued by such Independent Counsel; the Committee shall cause to be made any alterations in the summaries necessary to prevent disclosure of any Confidential Information pertaining to any individual or to any organization if the disclosure could lead to the disclosure of the identity of a person who is entitled to confidentiality; and

(b) recommend any actions regarding the Authority's policies and practices which the Committee believes would or could enhance the ethical environment in which Public Servants work; and

(c) recommend forms for use under this Ordinance.

SECTION 24. WHO MAY REQUEST COMMITTEE ACTION.

(a) Any Public Servant, prospective Public Servant or former Public Servant may request of the Committee an ethics opinion from Independent Counsel, whether a formal opinion or a confidential advisory opinion, regarding the propriety of any Matter or Matters to which the person is or may become a party.

(b) Any request for Committee action shall be in writing, and shall be signed by the person making the request.

SECTION 25. LIMITATIONS ON COMMITTEE'S POWER.

(a) The Committee does not have the authority to reverse or otherwise modify a prior action of the Board, or an Officer or Employee of the Authority. If the Committee finds a prior action of the Board, Officer or Employee to have been ethically improper, the Committee may advise the appropriate party or parties that the action should be reconsidered. Upon such advice by the Committee, the action shall be reconsidered by the Board or the appropriate person.

(b) The Committee may refer a Matter to Independent Counsel for review and consideration for appropriate action. Upon completion of review and consideration, the Independent Counsel shall report its findings to the Committee for its determination. The Committee shall thereupon advise the Board of its recommendation with respect to such Matter.

(c) The Committee shall have no general powers or duties to investigate allegations of violations of this Ordinance, but shall refer all such reports to the Board.

(d) The Committee shall interpret the requirements of this Ordinance as they apply to specific situations, but does not have the power to waive any such requirements.

Nothing contained in this Ordinance shall be deemed to delegate any powers of the Board to the Committee.

SECTION 26. EX PARTE COMMUNICATIONS.

(a) During the pendency of a review of whether any action has been ethically improper before the Board, no member of the Board may communicate directly or indirectly with any party or other person about any issue of fact or law regarding such matter, except that:

(1) the members of the Board may obtain legal advice from Independent Counsel in accordance with the Board's policies and may discuss the matter with their staff; and

(2) the members of the Board may discuss the matter at a lawfully conducted meeting.

(b) If any person attempts to communicate with a Board member regarding a matter which is the subject of the Board's ethics review, the Board member shall report the substance of the communication to the Board on the public record at the next regular meeting of the Board.

SECTION 27. CONFIDENTIALITY OF INFORMATION.

No member of the Board nor any Public Servant who has access to any Confidential Information related to the functions or activities of the Committee or the Board shall divulge that information to any person who is not authorized to have it. Subject to applicable law, the identity of a person who requests a confidential advisory ethics opinion is confidential, as is information describing or pertaining to any organization mentioned in the request for an opinion if the disclosure of the information could lead to the disclosure of the identity of the person requesting the confidential advisory opinion.

SECTION 28. WAIVER OF CONFIDENTIALITY.

A person who makes or purports to make public the substance of or any portion of an advisory opinion requested by or on behalf of that person is deemed to have waived the confidentiality of the request for an advisory opinion and of any records obtained or prepared by or at the request of the Committee or the Board in connection with the request for an advisory opinion.

SECTION 29. PENALTIES.

Any violations of this Ordinance shall be punishable to the extent permitted by law. Any disciplinary action shall be carried out in accordance with the provisions of this Ordinance, as well as any other laws, policies and procedures applicable to the position of the offender and the gravity of the offense. The Board is permitted to take any action which it is otherwise lawfully permitted to take, including, but not limited to, any one or combination of the following which the Board deems appropriate under the circumstances: public admonition; public reprimand; suspension; demotion; debarment; forfeiture of or removal from office; termination from employment; voiding or termination of any contract; or, in the case of a member of the Board, notification to the person or entity which appointed the member to the Board pursuant to the Act.

SECTION 30. PENALTIES CUMULATIVE.

The penalties prescribed in this Ordinance shall be cumulative and not exclusive of each other or of any other penalties which may be imposed pursuant to any other laws or policies.

SECTION 31. AMENDMENT; WAIVER.

(a) This Ordinance may be altered, amended or repealed by the members of the Board at any regular meeting or special meeting of the members called therefor, by the vote of a majority of the members of the Board serving at the time of the vote.

(b) The Board may in its sole discretion grant a waiver from any provision of this Ordinance upon receipt of an opinion of Independent Counsel to the effect that compliance with such provision under the circumstances of the proposed waiver is not required by applicable law, and the making a determination by resolution by the vote of a majority of the members of the Board serving at the time of the vote that:

(1) any Interest of the Public Servant or a Partner in Interest in the Matter related to the waiver has been publicly disclosed, if applicable; and

(2) any actual or apparent Conflict of Interest or bias has been or will be minimized to the extent possible under the circumstances, unless this would result in undue hardship to the Public Servant or a Partner in Interest; and

(3) the waiver will be in the best interests of the Authority and the public.

No waiver that may be given by the Board will be applicable except in the specific instance for which it is given.

(c) The Board may in its sole discretion excuse a violation of this Ordinance upon making a determination by resolution by the vote of a majority of the members of the Board serving at the time of the vote that the violation was unintentional and that any actual or apparent harm to the Authority or the public has been or will be minimized to the extent possible under the circumstances, unless this would result in undue hardship to the Public Servant or a Partner in Interest, and subject to such further terms and conditions as the Board may determine.

SECTION 32. LIBERAL CONSTRUCTION OF ORDINANCE.

The provisions of this Ordinance are to be construed liberally, to the end that the public interest be fully protected, and shall be construed in a manner consistent with all applicable federal and state laws, including the Act. In the event of a conflict between any provision of this Ordinance and any applicable federal or state law which does not

expressly provide otherwise, the federal or state law shall control. To the extent permitted by law, all ordinances, resolutions or rules, and parts of ordinances, resolutions or rules inconsistent with this Ordinance are hereby repealed.

SECTION 33. SEVERABILITY.

If any provision of this Ordinance is held by any court or by any federal or state agency of competent jurisdiction to be invalid as conflicting with any federal or state law now or hereafter in effect, or is held by such court or agency to be required to be modified in any way in order to conform to the requirements of any such provision, the conflicting provision of this Ordinance shall be considered a separate, distinct and independent part of this Ordinance, and such holding shall not affect the validity and enforceability of this Ordinance as a whole, or any part other than the part declared to be invalid.

SECTION 34. EFFECTIVE DATE.

This Ordinance shall be effective on .

[REDACTED]

DIRECTOR'S REPORT:

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

➤ Ethics Policy

P. Karas presented Gary/Chicago International Airport Authority's Ethics Ordinance for approval.

W. STAEHLE MADE A MOTION TO ADOPT GCIAA's ETHICS ORDINANCE AS PRESENTED WITH THE UNDERSTANDING THAT PERSONNEL POLICIES WOULD BE APPROPRIATELY AMENDED TO REFLECT SUCH ADDITIONAL COMMENTS, IF ANY, THAT WERE IN THE NEW ORDINANCE. J. EVANS SECONDED THE MOTION.

VOTE CARRIED: 5 - 0

[REDACTED]

[REDACTED]